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Alberta
PENSION ADMINISTRATION

annual report on the administration of the public service pension act for the year ended march 31, 1972

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Alberta

PENSION ADMINISTRATION

TWENTY-FIFTH ANNUAL STATISTICAL REPORT

of the proceedings of the

PUBLIC SERVICE PENSION BOARD

pursuant to

THE PUBLIC SERVICE PENSION ACT

for the year ended

MARCH 31, 1972

Prepared by

The Public Service Pension Administration

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Alberta

PUBLIC SERVICE PENSION ADMINISTRATION

Edmonton, Alberta

To the Honourable J. W. GRANT MacEWAN

Lieutenant-Governor of the Province of Alberta

MAY IT PLEASE YOUR HONOUR:

I have the honour to submit the Annual Report of the proceedings of the Public Service Pension Board pursuant to *The Public Service Pension Act* for the year ended March 31, 1972.

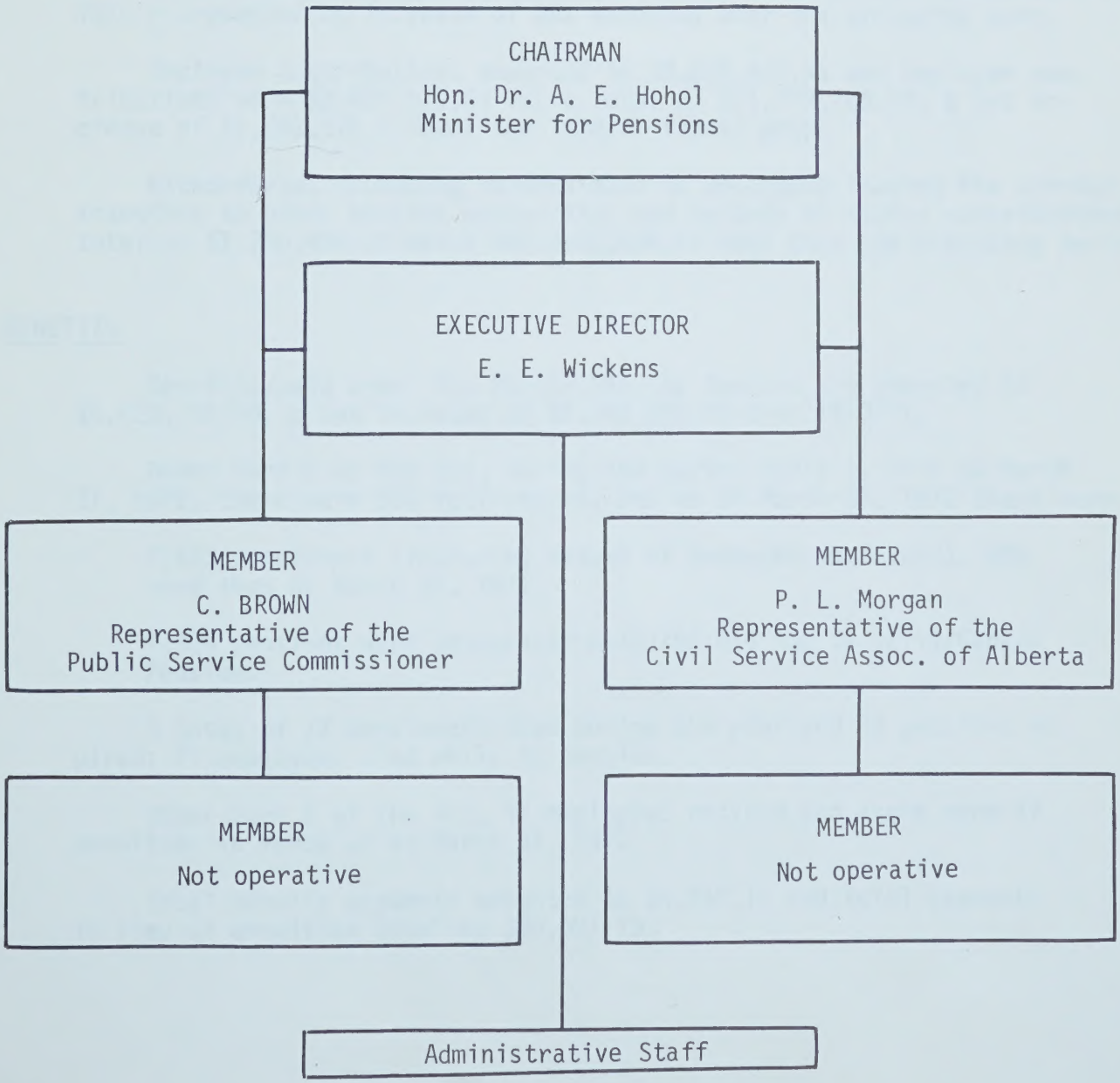
A. E. Hohol

A. E. Hohol
Chairman of the Board

Alberta

PENSION ADMINISTRATION

PUBLIC SERVICE PENSION BOARD



THE PUBLIC SERVICE PENSION ACT

CONTRIBUTIONS

During the period covered by this report there were pension accounts for 26,730 employees, 26,399 under Part I of the Act and 331 under Part 2. This represented an increase of 922 accounts over the preceding year.

Employee contributions amounted to $8,684,400.51 and employer contributions were $2,464,379.63 for a total of $11,148,780.14, a net increase of $1,693,375.87 over the 1970/71 fiscal year.

Withdrawals, including refunds made to employees leaving the service, transfers to other pension authorities and refunds of excess contributions, totalled $1,790,400.12 which was $282,456.48 more than the preceding period.

BENEFITS

Benefits paid under *The Public Service Pension Act* amounted to $6,629,109.55, a net increase of $1,162,868.22 over 1970/71.

Under Part I of the Act, during the period April 1, 1971 to March 31, 1972, there were 304 retirements; and as of March 31, 1972 there were:

2,533 pensioners (including widows of deceased employees), 309 more than at March 31, 1971;

1,306 pensions were integrated with the Old Age Security/Canada Pension.

A total of 77 pensioners died during the year and 64 pensions expired; 71 employees died while in service.

Under Part 2 of the Act, 31 employees retired and there were 17 annuities in force as at March 31, 1972.

Total annuity payments amounted to $8,349.15 and total payments in lieu of annuities totalled $95,091.13.

THE PUBLIC SERVICE PENSION ACT

AMENDMENTS

Amendments to *The Public Service Pension Act* during the fiscal year included:

1. *Section 2.(b)(iii)*

   Amended to permit the Board to authorize the inclusion of a seasonal employee in the operation of the Act.

2. *Section 8.1(1)(2)*

   New section added to the Act which authorizes the Provincial Treasurer to advance money to a retiree where there is a delay beyond 30 days in processing the retiree's pension.

3. *Section 9.(3)*

   In respect of an employee who is still employed after attaining the age of 65 and who has elected to receive a Guaranteed Term pension on retirement, the calculation of the term of years certain shall commence from the date of the employee's termination of employment instead of from the date of his 65th birthday.

4. *Section 9.(4)*

   Where the employment of a person continues after reaching age 65, the pension shall be actuarially increased according to his age upon termination of employment.

5. *Section 10.(2)*

   This new subsection authorizes the retirement of an employee at age 55 who has not less than 35 years pensionable service.

THE PUBLIC SERVICE PENSION ACT

6. *Section 11.(1)*

Amended to permit the Board to authorize the retirement of an employee who has not less than 10 years pensionable service at age 55, or who is medically incapable of efficiently performing his regular duties.

7. *Section 14.(1)(j)*

Amended in respect of an employee who is desirous of having recognized as pensionable a period of service with a public body approved by the Board, he shall pay contributions as the Board directs on the rate of salary paid at the commencement of his employment when he last became a contributor under the Act.

8. *Section 14.(7)*

Subsection added to permit the Board to authorize as pensionable any period of service that is recognized for pension purposes under any other pension plan, subject to such terms and conditions as the Board may direct.

9. *Section 19*

In respect of early retirement this section was amended to authorize that where a person retires

(a) before the age of 60 and his pensionable service is not less than 25 years, the actuarial equivalent of the normal pension shall be computed at the person's age on retirement of the pension that would have been payable to him were his age then 60, or

(b) before the age of 55 and his pensionable service is not less than 35 years, the actuarial equivalent of the normal pension shall be computed at the person's age on retirement of the pension that would have been payable to him were his age then 55.

THE PUBLIC SERVICE PENSION ACT

10. *Section 34*

Amended to provide the Board with broader powers under the Act without the approval of the Lieutenant Governor in Council.

11. *Section 35*

Amended to permit the Board to enter into a reciprocal agreement with any private body which has assumed any of the duties and functions of the Government.

12. *Section 35.1*

New section added which permits the Board to enter into a reciprocal agreement with any party named in Section 35 of the Act in respect of any person or his beneficiary for the purpose of transferring any pension benefits to which that person or his beneficiary is entitled under the Act, subject to the approval of the Lieutenant Governor in Council, and such agreement may be retroactive in effect.

The Public Service Pension Adjustment Regulations being Alberta Regulation 306/69 were amended as follows:

1. *Section 5*

Effective January 1, 1972 pensions were increased by 3 1/2% of the monthly rate of pension payable for December, 1971, for the purpose of maintaining approximate parity with the increased cost of living.

RECIPROCAL TRANSFER AGREEMENTS

Reciprocal transfer agreements involving the following pension plans were in effect as at March 31, 1972:

Alberta Government Telephones Employee Pension Plan

Alberta Teachers' Retirement Fund Plan

Calgary Pension Plan (City of Calgary)

Government of Canada Superannuation Plan

Local Authorities Pension Plan (Alberta)

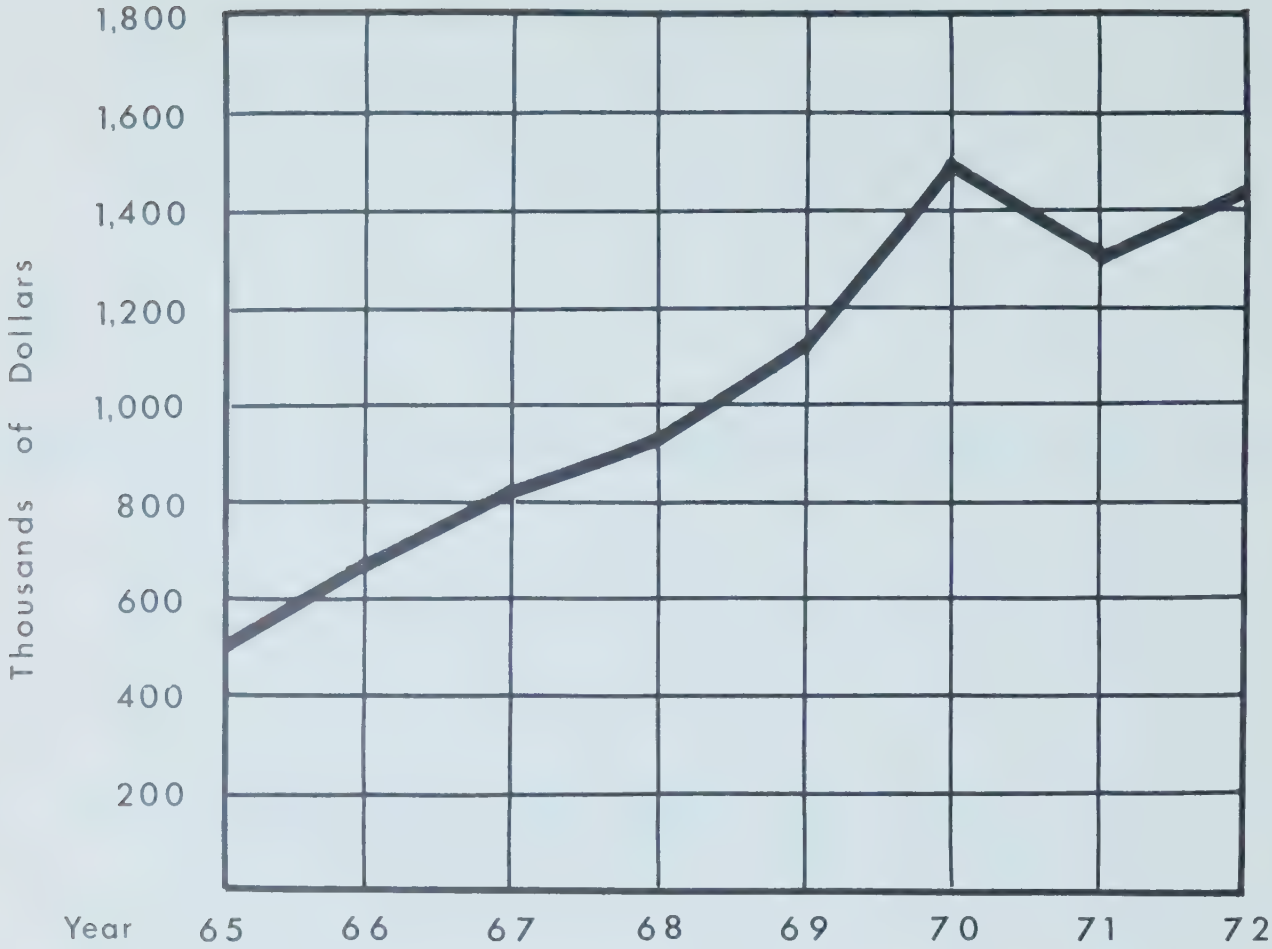
Ryerson Polytechnical Institute (Ontario) Pension Plan

The Board of Governors of McGill University

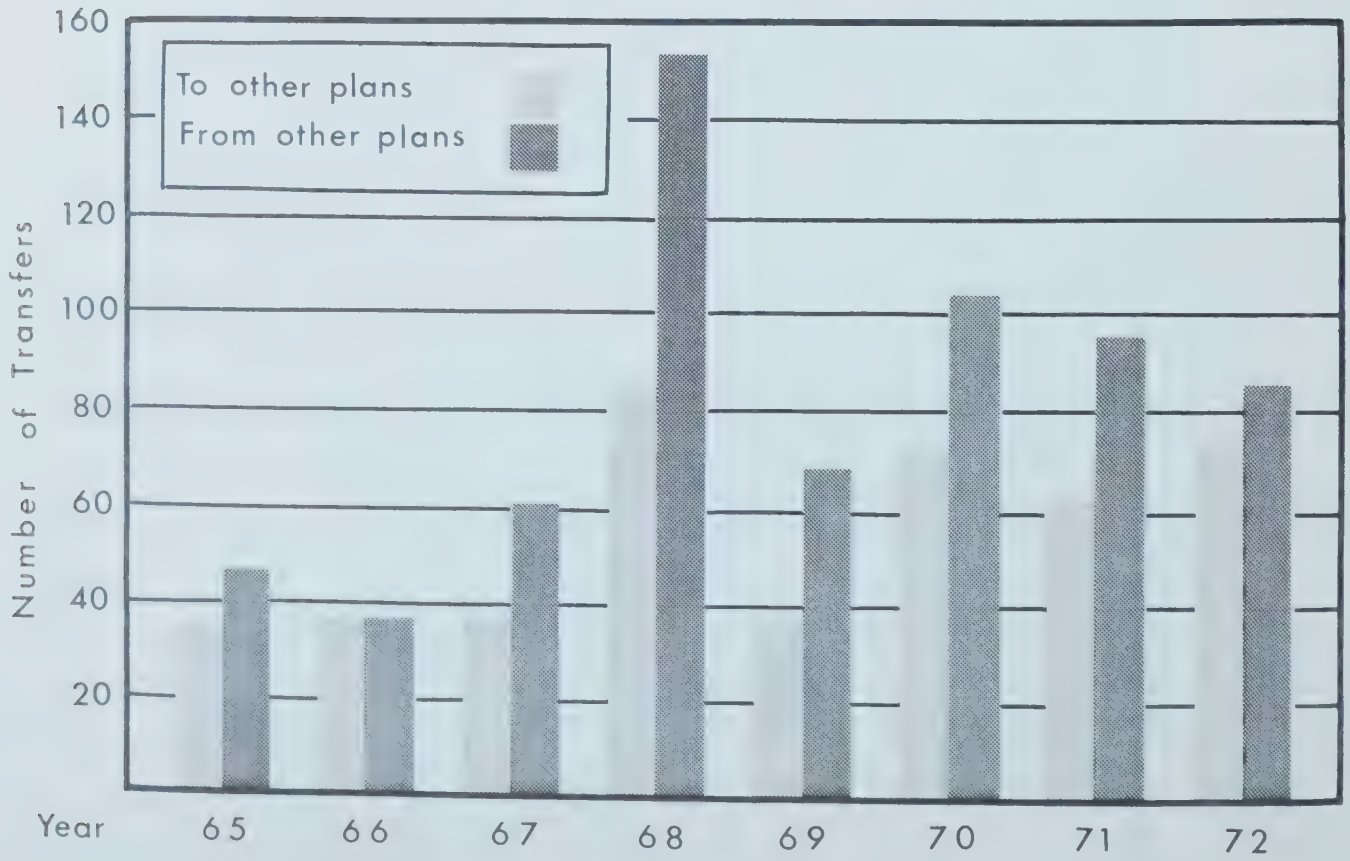
THE PUBLIC SERVICE PENSION ACT

PART ONE

TERMINATION REFUNDS



TRANSFERS



CONTRIBUTIONS

REFUNDS AND TRANSFERS

REFUNDS

	Total Number	Total Amount
Refunds upon employees leaving service *Section 25 of the Act*	5,306	$ 1,430,988.24
Refunds of excess contributions (Employees' and employers)	381	44,052.17

TRANSFERS

	Transfers to		Transfers from	
	Number	Amount	Number	Amount
Alberta Government Telephones	7	8,409.18	1	3,889.94
Alberta Teachers' Retirement Fund	16	101,689.62	37	66,375.20
Government of Canada	25	117,615.08	19	116,621.13
Local Authorities Pension Plan	29	48,977.43	29	46,116.07
McGill University Pension Fund	-		1	2,750.69
	77	$276,691.31	87	$235,753.03

TOTAL AMOUNT CREDITED TO EMPLOYEES' ACCOUNTS

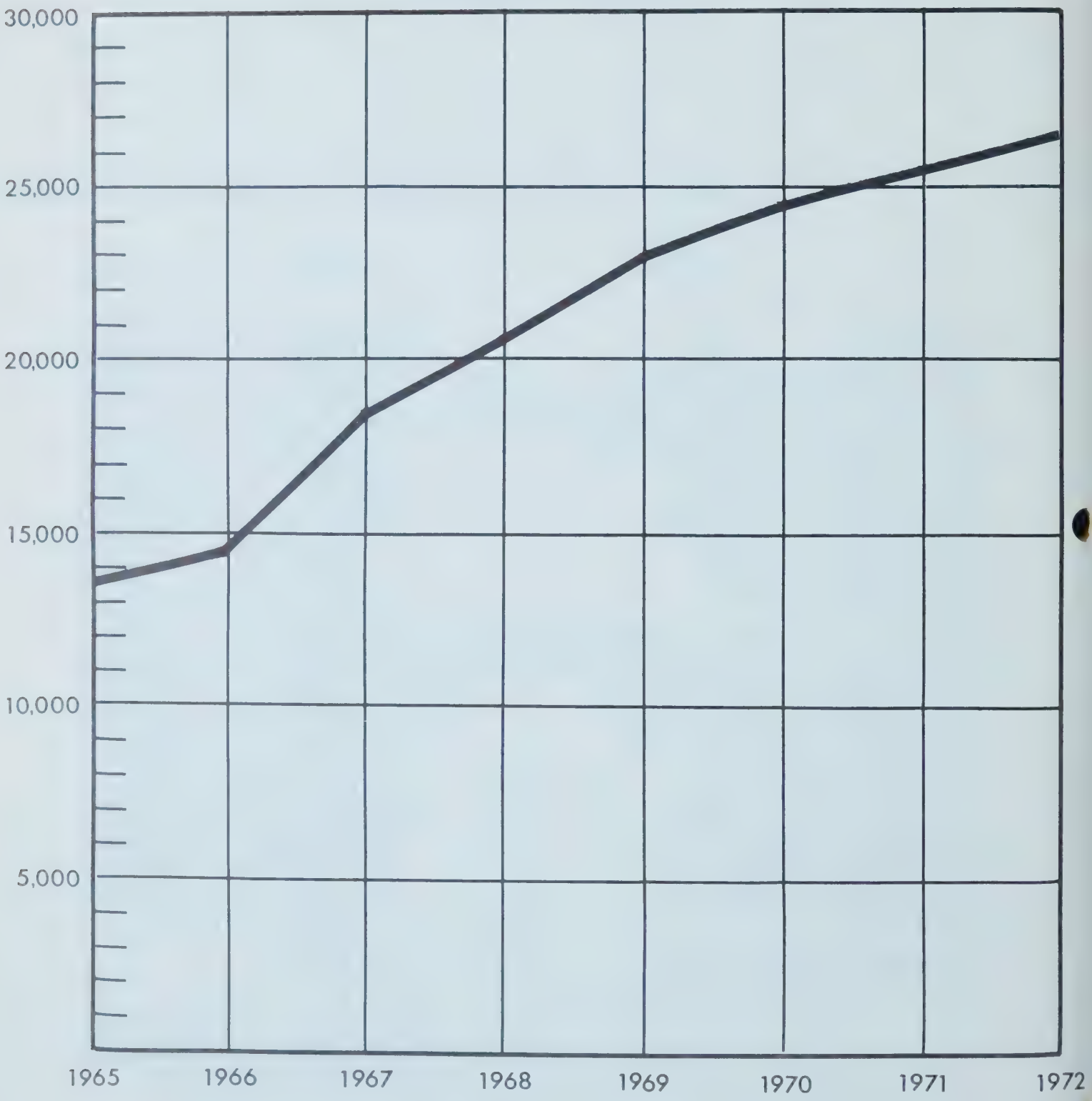
	Number of Accounts	Amount
Departmental	17,400	$ 38,787,523.59
Alberta Colleges Commission	10	43,930.65
Alberta General Insurance Company	28	54,882.14
Alberta Hail & Crop Insurance Corporation	25	65,972.89
Alberta Health Care Insurance Commission	435	68,285.02
Alberta Hospital Services Commission	107	154,946.72
Alberta Housing Corporation	78	96,880.44
Alberta Liquor Control Board	1,149	2,572,782.59
Alberta NewStart Incorporated	6	14,900.22
Alberta Opportunity Company	15	8,639.72
Alberta Racing Commission	6	314.00
Alberta Treasury Branches	538	965,743.73
Athabasca University	5	19,734.37
Civil Service Association of Alberta	29	71,406.73
Edmonton Civil Service Savings & Credit Union	7	13,373.80
Energy Resources Conservation Board	303	901,893.54
Municipal District Nursing Services	13	22,703.98
Provincial Cancer Hospitals Board	214	299,735.44
Public Health Units	211	528,042.34
Universities Commission	4	14,222.33
University of Alberta	2,238	3,063,028.56
University of Alberta Hospital	1,506	1,865,693.49
University of Calgary	1,159	966,903.09
University of Lethbridge	154	156,929.49
Workmen's Compensation Board	510	1,118,122.94
*Sundry	7	12,984.26
Accounts held on deposit	242	868,228.46
	26,399	$ 52,757,804.53

*Eastern Rockies Forest Conservation Board and Alberta House, London, England

CONTRIBUTIONS RECEIVED

	Employee	Employer
Departmental	$ 6,465,190.22	$ --
Alberta Colleges Commission	12,167.42	6,825.65
Alberta General Insurance Company	7,620.02	6,770.38
Alberta Hail & Crop Insurance Corporation	13,353.04	8,311.14
Alberta Health Care Insurance Commission	75,265.24	74,298.47
Alberta Hospital Services Commission	38,927.82	22,472.63
Alberta Housing Corporation	39,035.53	36,057.86
Alberta Liquor Control Board	307,825.16	282,469.98
Alberta New Start Incorporated	15,865.63	13,777.25
Alberta Opportunity Company	4,359.70	4,851.80
Alberta Racing Commission	311.80	311.80
Alberta Treasury Branches	124,515.46	120,389.10
Athabasca University	1,170.24	885.33
Civil Service Association of Alberta	10,469.90	7,746.55
Edmonton Civil Service Savings & Credit Union	1,991.85	1,666.85
Energy Resources Conservation Board	110,978.36	106,648.74
Municipal District Nursing Services	4,253.29	4,001.34
Provincial Cancer Hospitals Board	85,823.89	76,689.10
Public Health Units	87,396.58	75,399.29
Universities Commission	5,120.75	3,620.75
University of Alberta	646,005.78	625,984.87
University of Alberta Hospital	395,363.75	367,274.66
University of Calgary	287,810.82	284,781.88
University of Lethbridge	36,430.36	36,206.39
Workmen's Compensation Board	154,792.20	134,379.65
Miscellaneous	131,168.93	--
Sundry	1,283.55	--
Accounts held on deposit	15,680.14	--
	$ 9,080,177.43	$ 2,301,821.46

TOTAL CONTRIBUTORS



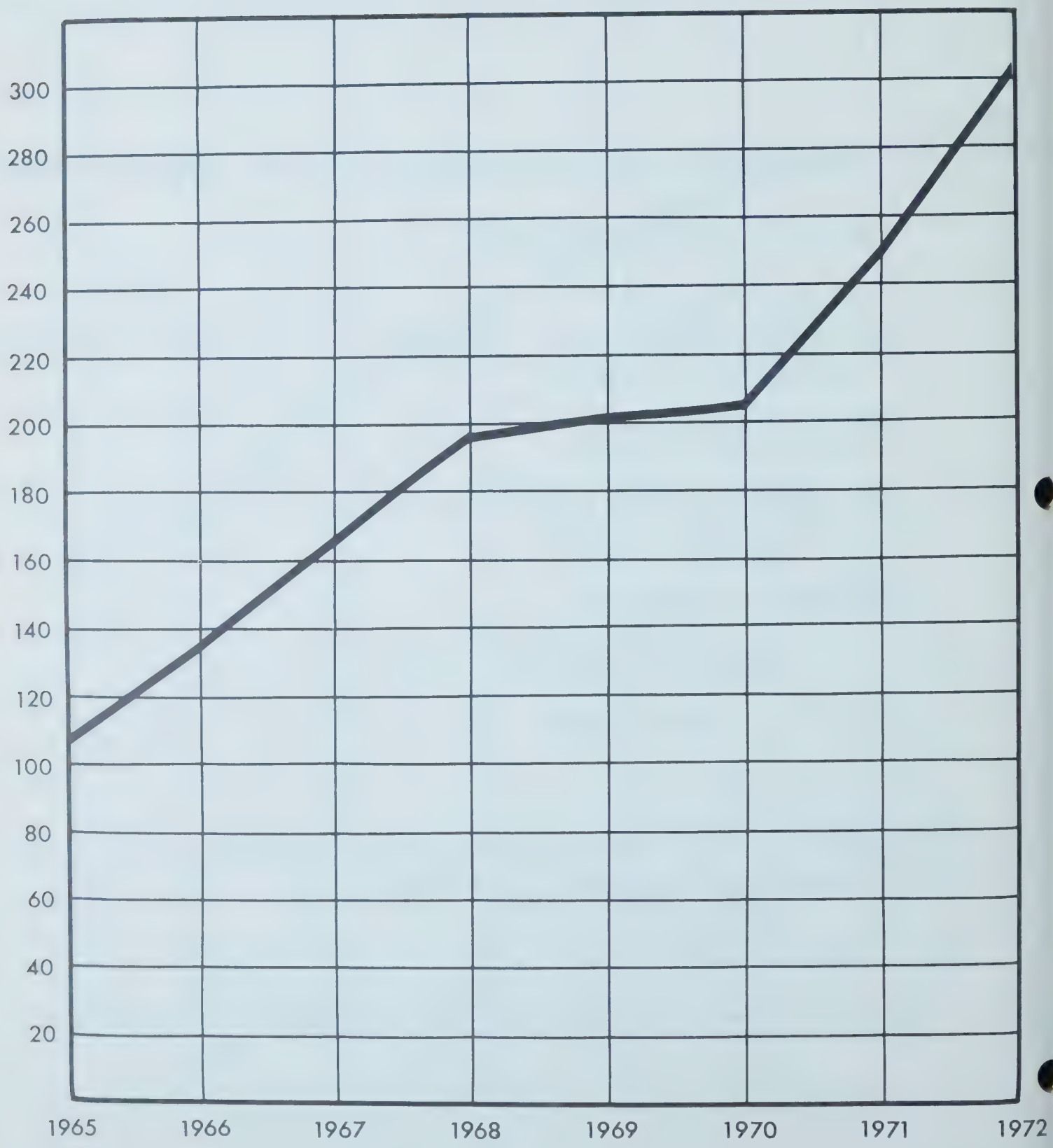
RETIREMENTS

Number of employees who retired during the period from April 1, 1971 to March 31, 1972:

Normal retirement at age 65	145
Section 9 of the Act	
After age 60 with minimum of 25 years service	49
Section 10.(1) of the Act	
After age 55 with minimum of 35 years service	6
Section 10.(2) of the Act	
After age 55 with approval of the Board	58
Section 11.(1)(a) of the Act	
(Actuarially reduced - 58)	
Retirement due to disability	46
Section 11.(1)(b) of the Act	
(Total disability - 37)	
(Partial disability - 9)	
Total retirements	304

Deferred pensions commenced	2
Partial lump sum payments granted in lieu of pensions	5
Section 21.(d) of the Act	
Amount of payments granted in lieu of pensions	$3,114.63

TOTAL RETIREMENTS



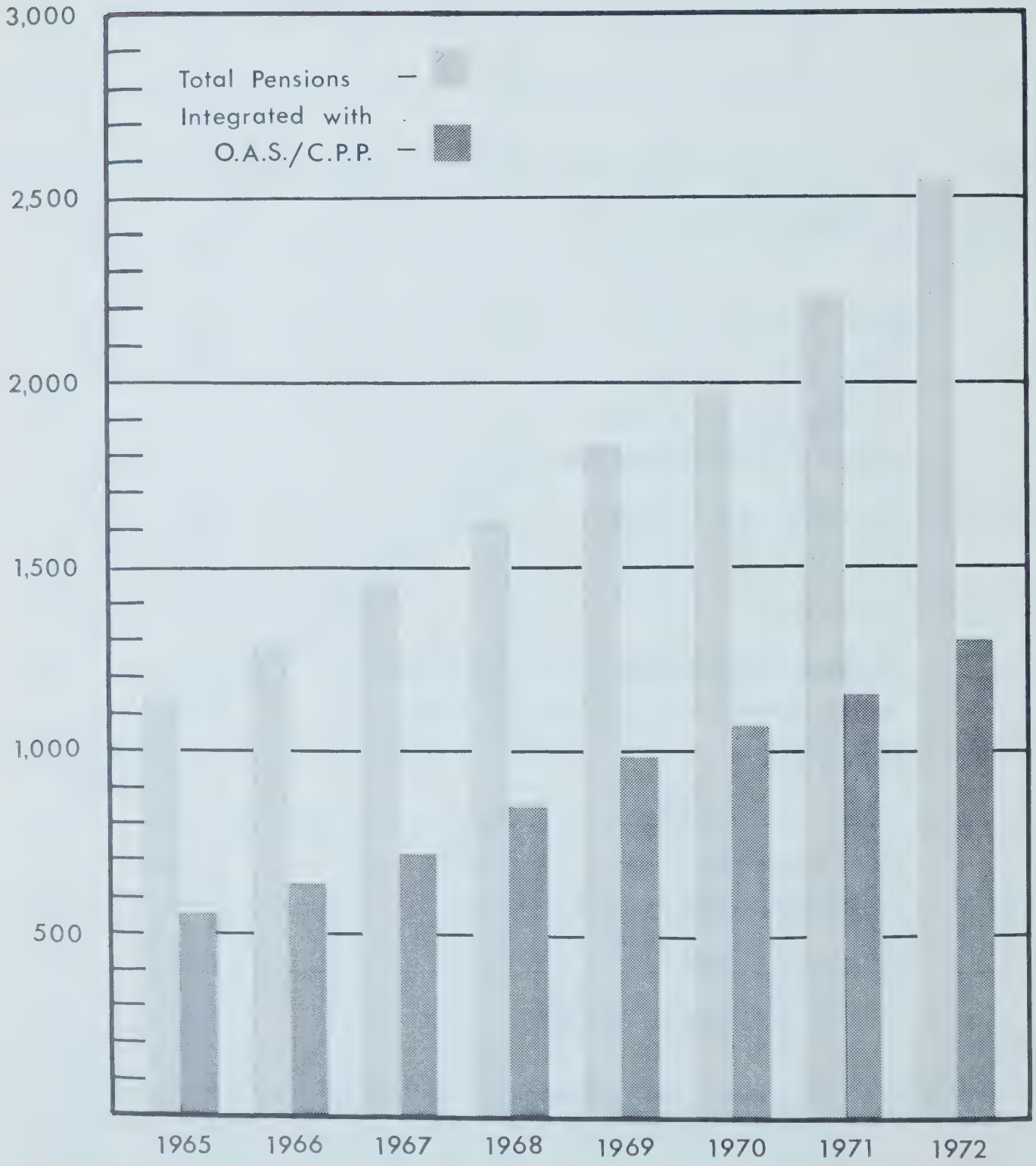
PENSIONS

PENSIONS IN FORCE as at March 31, 1972:

Normal pension	492
Single Life	255
Guaranteed Term - 5 years	2
Guaranteed Term -10 years	777
Guaranteed Term -15 years	289
Guaranteed Term -20 years	126
Joint Life	76
Joint Life Reducible by 1/3 at first death	145
Joint Life Reducible by 1/2 at first death	59
Widow's Life	161
Widow's Guaranteed Term - 5 years	11
Widow's Guaranteed Term - 10 years	25
Widow's Guaranteed Term - 15 years	29
Widow's Guaranteed Term - 20 years	86
* Total number of pensioners	2,533

* Including 1,306 pensions integrated with the Old Age Security and/or the Canada Pension.

TOTAL PENSIONS
as at March 31, 1972



PENSIONS

SUMMARY OF PENSIONS as at March 31, 1972:

Dollar value per month	Number of pensions
$ 0 to 50	31
50 to 100	454
100 to 200	1,008
200 to 300	456
300 to 400	249
400 to 500	146
500 to 600	77
600 to 700	41
700 to 800	32
800 to 900	17
900 to 1,000	10
1,000 to 1,100	6
1,100 to 1,200	1
1,200 to 1,300	1
1,300 to 1,400	3
1,400 to 1,500	1
Total number of pensions	2,533

Lowest pension is $16.43 per month; highest is $1,437.73 per month.

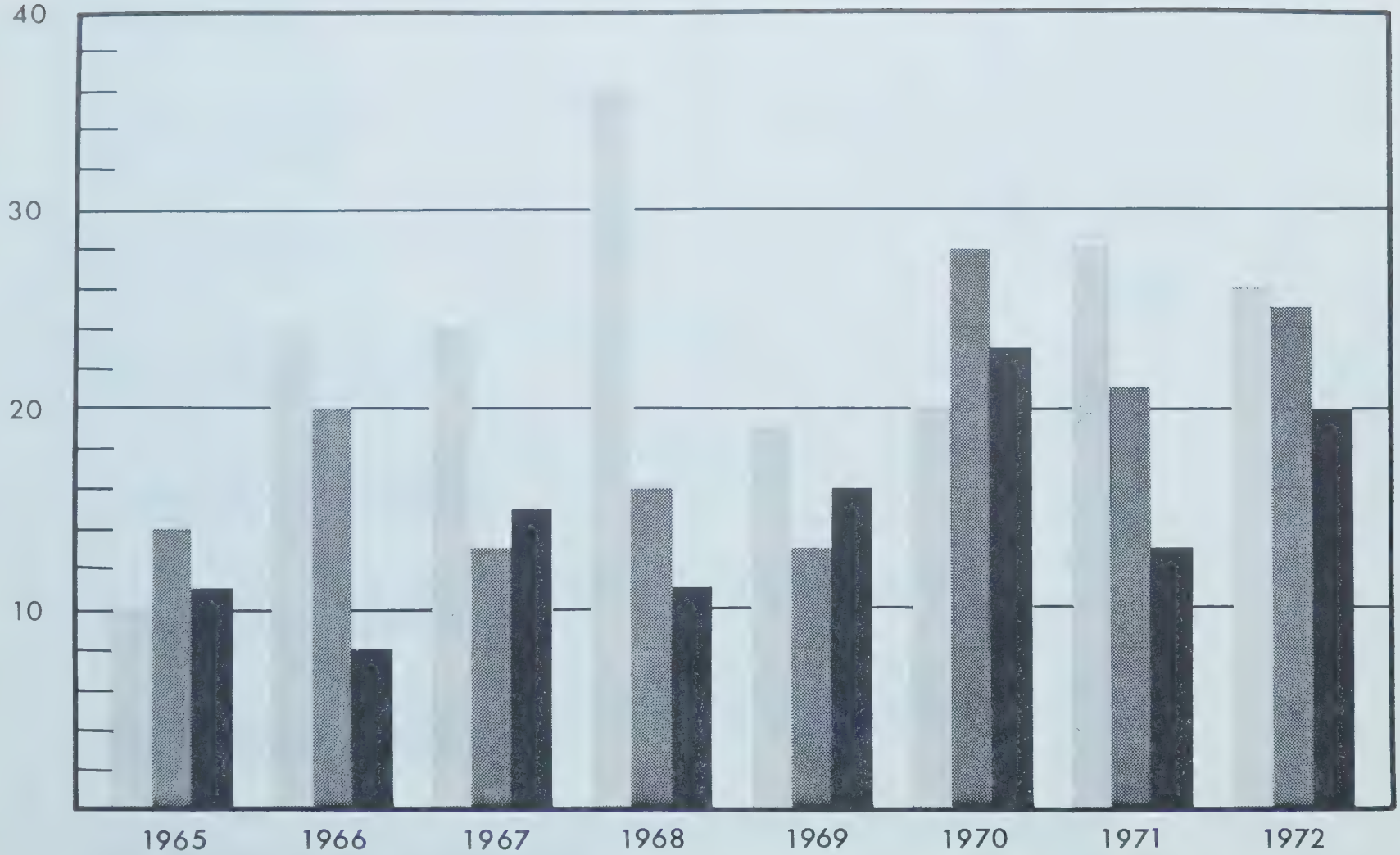
Total pension payments during the year were $6,338,511.52.

Oldest pension currently being paid commenced November 20, 1931.

Number of pensioners who died during the year 77
(not including deceased nominees under Joint Life plans)

Number of pensions expired during the year 64
(including expired guaranteed terms and expirations upon death of nominees under Joint Life plans)

DEATHS IN SERVICE



DEATHS IN SERVICE

DEATH IN SERVICE, *Section 28 of the Act*

Number of employees who died during the period April 1, 1971 to March 31, 1972:

Pensions to widows	26
Pensions to widowers	-
Lump sum payments to widows	21
Lump sum payments to widowers	4
Lump sum payments to other beneficiaries	20
Total deaths	71

Summary of Lump sum payments:

To widows	$ 37,691.74
To widowers	3,773.34
To other beneficiaries	48,557.18
Total	$ 90,022.26

THE PUBLIC SERVICE PENSION ACT

PART TWO

CONTRIBUTIONS RECEIVED

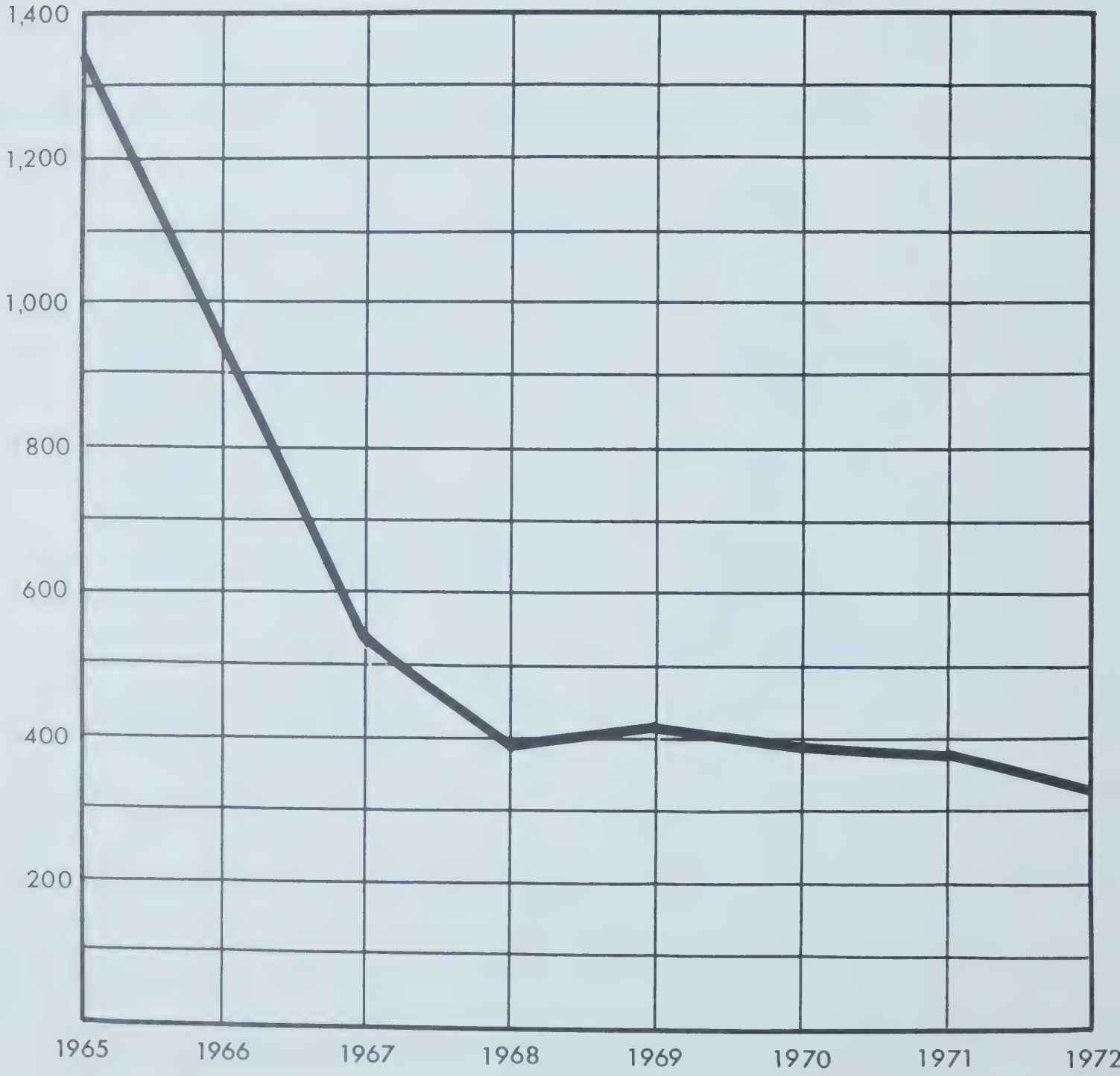
	Employee	Employer
Departmental	$ 94,586.22	$ --
Alberta Liquor Control Board	2,329.46	2,031.13
Alberta Opportunity Company	305.10	305.10
Athabasca University	1,344.47	1,344.47
Provincial Cancer Hospitals Board	840.70	727.95
Public Health Units	1,640.86	820.43
University of Alberta	7,053.96	7,038.41
University of Alberta Hospital	4,858.47	4,797.51
University of Calgary	12,425.78	11,229.30
Workmen's Compensation Board	3,384.62	3,095.02
	$ 128,769.64	$ 31,389.32

TOTAL AMOUNT CREDITED TO
EMPLOYEE AND EMPLOYER

	Number of Accounts	Amount Employee	Amount Employer
Departmental	225	$ 407,196.64	$ --
Alberta Liquor Control Board	6	9,092.88	7,320.08
Alberta Opportunity Company	1	458.82	458.82
Athabasca University	1	1,344.47	1,344.47
Provincial Cancer Hospitals Board	3	1,618.51	1,505.22
Public Health Units	1	5,136.04	2,568.03
University of Alberta	23	27,240.98	27,217.55
University of Alberta Hospital	20	10,449.94	10,455.71
University of Calgary	44	37,189.62	34,774.60
Workmen's Compensation Board	5	7,898.38	7,608.78
Accounts held on deposit	2	6,272.79	--
	331	$ 513,899.07	$ 93,253.26

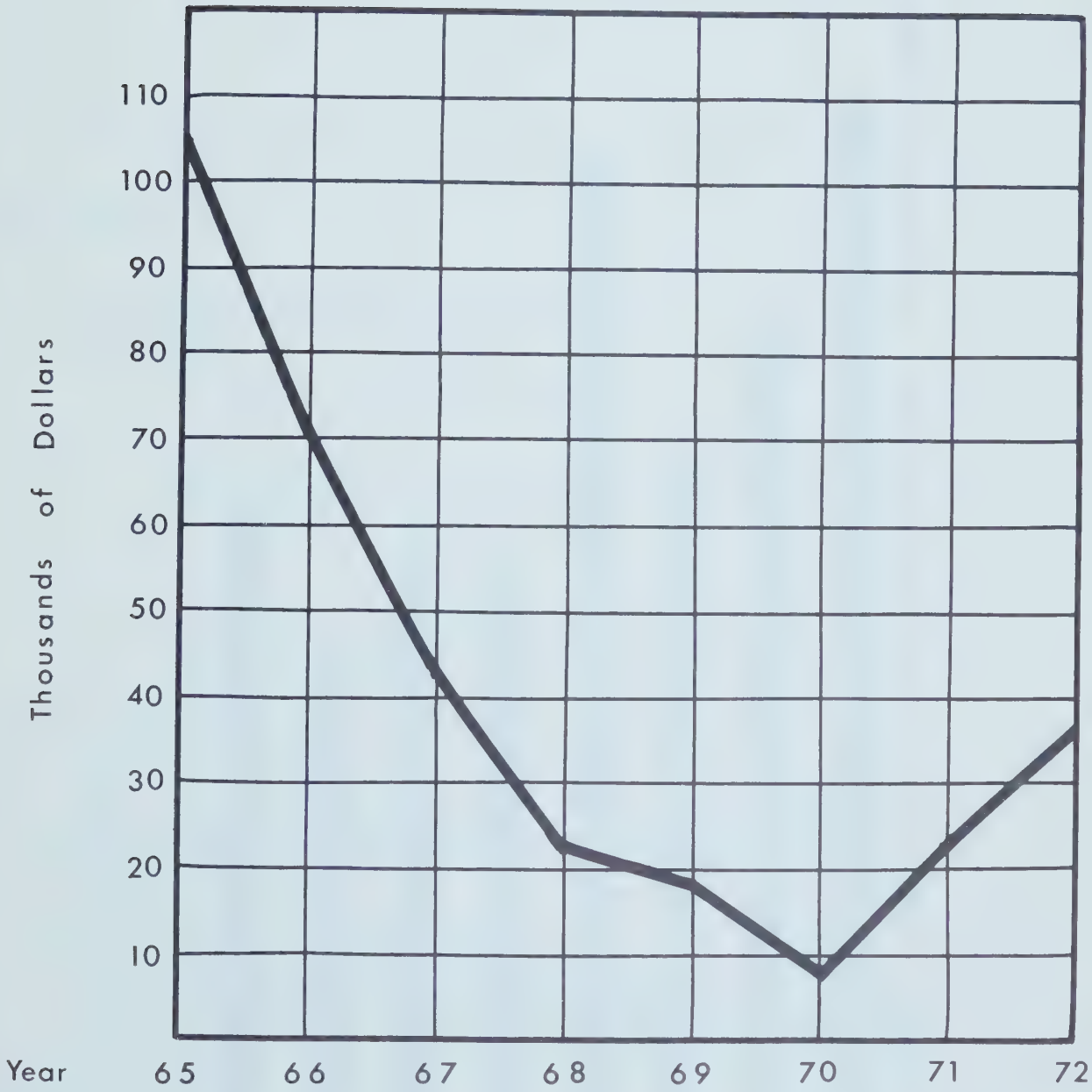
TOTAL CONTRIBUTORS

Part 2



TERMINATION REFUNDS

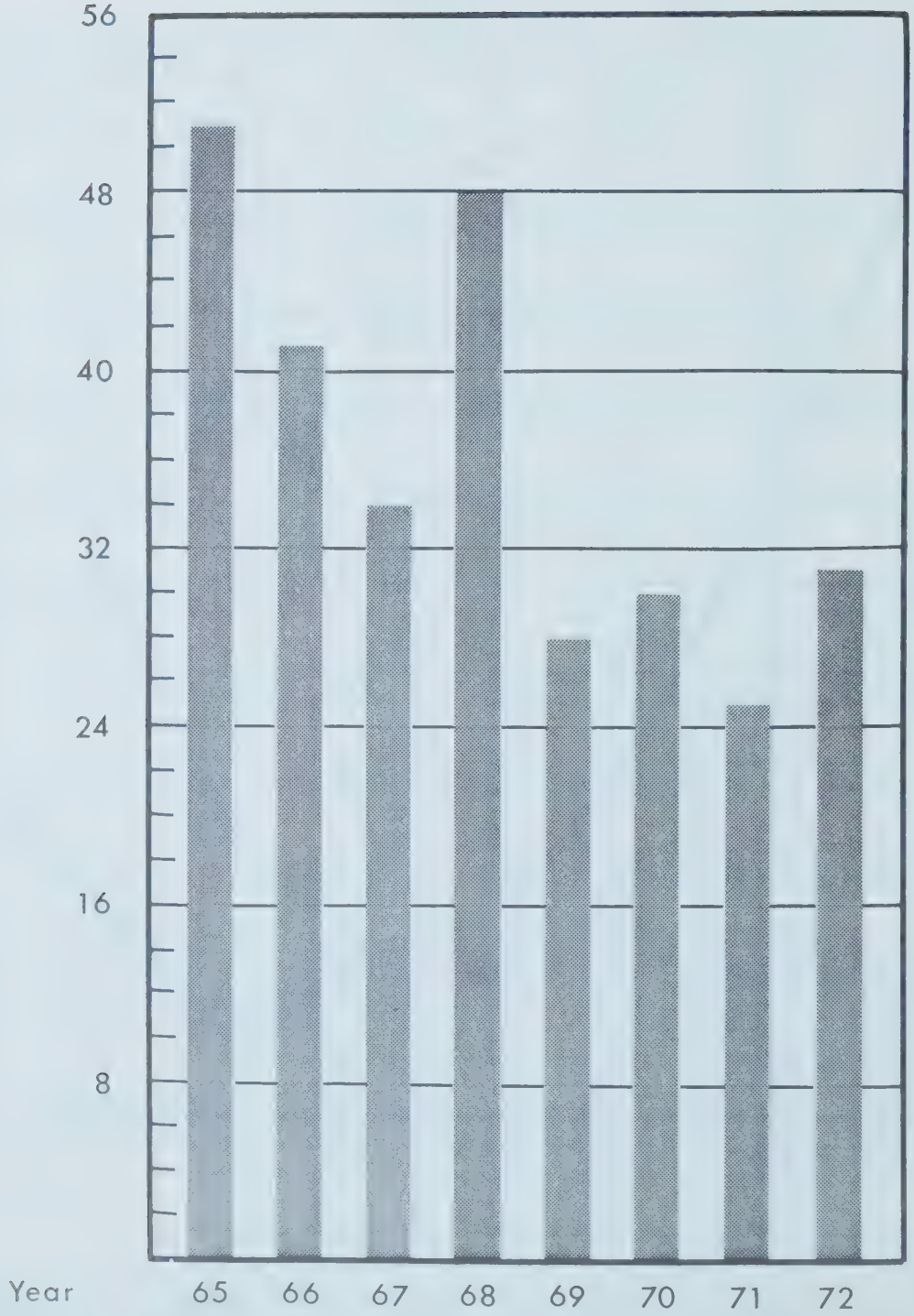
Part 2



	Number	Amount
Refunds upon employees leaving service *Section 45 of the Act*	64	$ 37,370.02
Refunds of excess contributions	29	$ 1,298.38

RETIREMENTS

Part 2



THE PUBLIC SERVICE PENSION ACT

PART 2

RETIREMENTS

Number of employees who retired during the period April 1, 1971 to March 31, 1972:

*Normal retirement at age 65 . . . . . *Section 47.(a) of the Act*	29
After age 60 . . . . . *Section 47.(b) of the Act*	2
Total	31

**Includes those who reached retirement age but whose services were retained.*

DEATH IN SERVICE, *Section 8 of the Act*

Number of deceased employees whose beneficiaries were widows . . .	1
Number of deceased employees whose beneficiaries were other than widows or children	1
Lump sum payments made to widows	1
Lump sum payments made to other beneficiaries	1

THE PUBLIC SERVICE PENSION ACT

PART 2

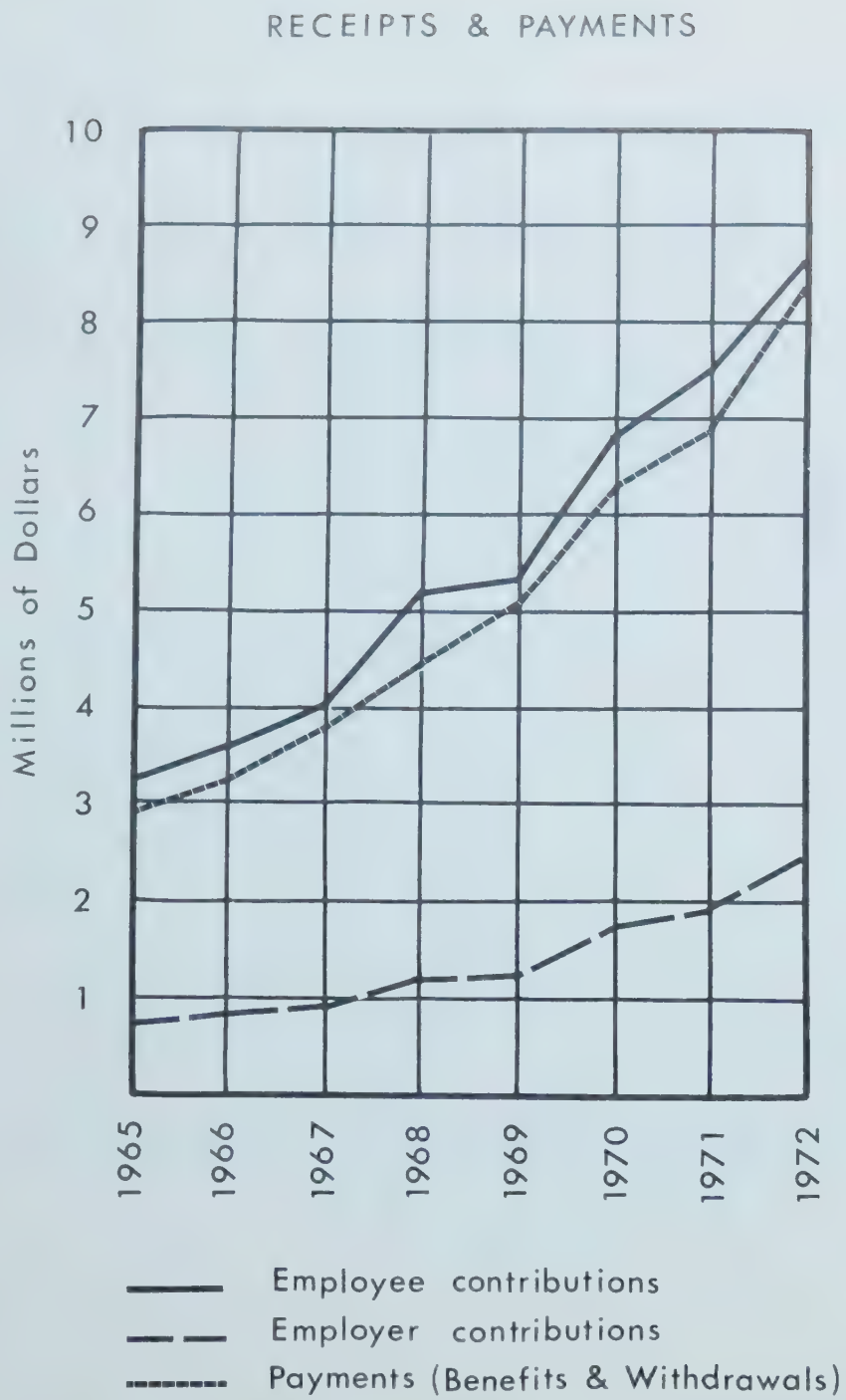
ANNUITIES IN FORCE as at March 31, 1972:

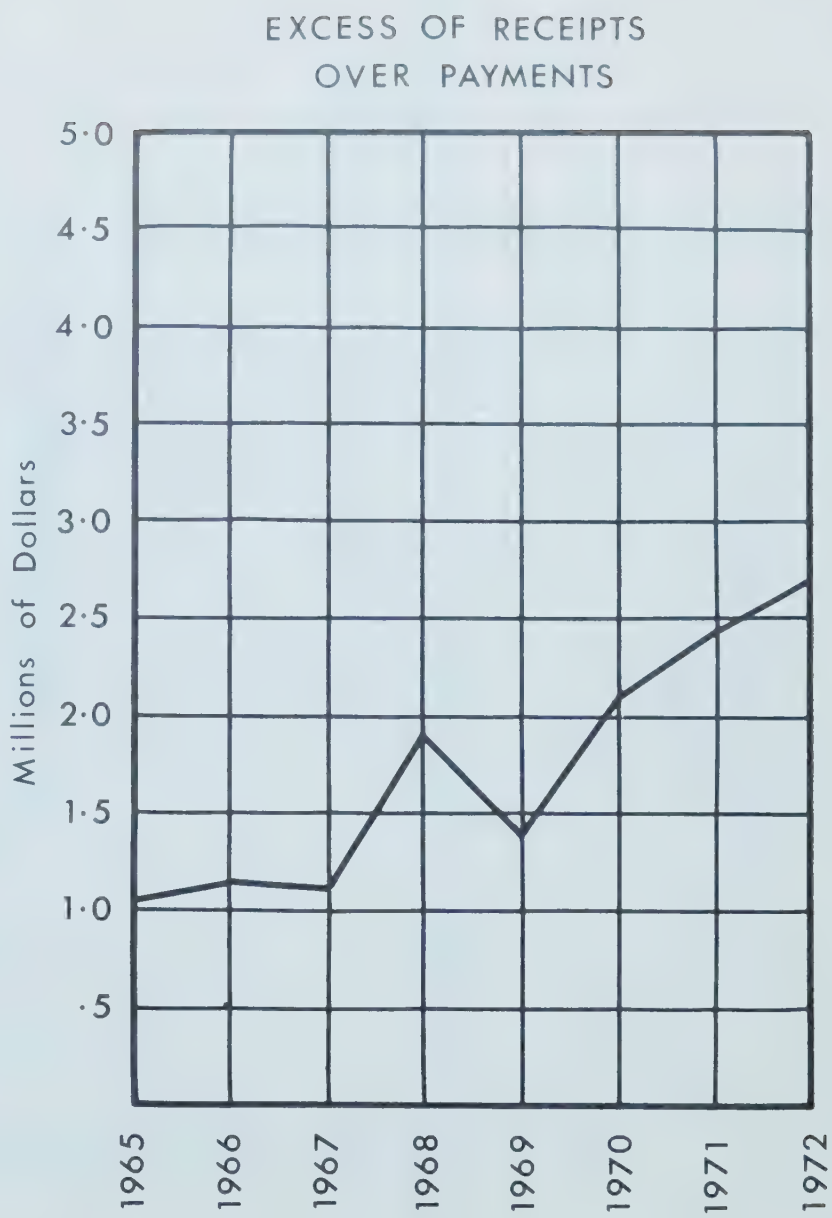
Single Life	2
Guaranteed Term - 5 years	4
Guaranteed Term - 10 years	4
Guaranteed Term - 15 years	6
Joint Life Reducible by 1/3 at first death	1
Total annuitants	17

The lowest monthly annuity is	$ 22.39
The highest monthly annuity is	$ 79.21
The average monthly annuity is	$ 42.36
Total annuity payments during the year	$ 8,349.15
Number of lump sum payments by monthly installments	4
Total payments in lieu of annuities	$95,091.13
Number of annuitants who died during the year	Nil

THE PUBLIC SERVICE PENSION ACT

GENERAL


RECEIPTS & PAYMENTS
Millions of Dollars
10
9
8
7
6
5
4
3
2
1
1965
1966
1967
1968
1969
1970
1971
1972
Employee contributions
Employer contributions
Payments (Benefits & Withdrawals)


EXCESS OF RECEIPTS
OVER PAYMENTS
Millions of Dollars
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4·5
4·0
3·5
3·0
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1965
1966
1967
1968
1969
1970
1971
1972

COMPARATIVE STATISTICS

April 1, 1947 to March 31, 1972

FISCAL YEAR	RECEIPTS			PAYMENTS			EXCESS OF RECEIPTS OVER PAYMENTS
	EMPLOYEE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS*	TOTAL	BENEFITS**	WITHDRAWALS**	TOTAL	
1947/48	$ 335,994.85	$ 370,804.09	$ 706,798.94	$ 220,016.91	$ 65,121.11	$ 285,138.02	$ 421,660.92
1948/49	616,466.81	891,271.84	1,507,738.65***	283,565.42	54,280.24	337,845.66	1,169,892.99
1949/50	610,094.65	719,072.11	1,329,166.76	311,140.82	87,039.12	398,179.94	930,986.82
1950/51	662,327.22	736,922.01	1,399,249.23	421,210.07	140,617.59	561,827.66	837,421.57
1951/52	691,254.37	207,662.57	955,013.26****	444,199.75	171,244.39	615,444.14	339,569.12
1952/53	733,411.48	207,614.84	941,026.32	516,922.72	190,740.12	707,662.84	233,363.48
1953/54	796,787.30	273,671.64	1,070,458.94	603,781.67	219,901.64	823,683.31	246,775.63
1954/55	924,727.34	248,905.82	1,173,633.16	787,609.77	194,860.51	982,470.28	191,162.88
1955/56	1,040,989.84	230,309.87	1,271,299.71	814,876.67	239,172.58	1,054,049.25	217,250.46
1956/57	1,167,707.03	292,321.24	1,460,028.27	860,649.95	325,030.51	1,185,680.46	274,347.81
1957/58	1,304,967.25	320,517.53	1,625,484.78	944,531.79	282,501.91	1,227,033.70	398,451.08
1958/59	1,581,478.97	341,232.40	1,922,711.37	1,076,715.06	270,504.52	1,347,219.58	575,491.79
1959/60	1,767,109.94	421,150.97	2,188,260.91	1,229,336.33	315,191.03	1,544,527.36	643,733.55
1960/61	1,976,032.98	492,346.71	2,468,379.69	1,319,198.00	343,122.72	1,662,320.72	806,058.97
1961/62	2,163,339.88	469,150.78	2,632,490.66	1,473,879.29	467,148.24	1,941,027.53	691,463.13
1962/63	2,121,808.56	520,203.37	2,642,011.93	1,614,510.77	546,315.99	2,160,826.76	481,185.17
1963/64	2,798,851.00	600,759.89	3,399,610.89	1,755,304.29	603,894.26	2,359,198.55	1,040,412.34
1964/65	3,343,876.99	758,044.04	4,101,921.03	2,116,451.43	866,001.77	2,982,453.20	1,119,467.83
1965/66	3,644,732.93	787,876.87	4,432,609.80	2,376,187.69	918,703.01	3,294,890.70	1,137,719.10
1966/67	4,008,212.10	912,835.41	4,921,047.51	2,835,781.70	947,400.45	3,783,182.15	1,137,865.36
1967/68	5,242,649.91	1,230,585.37	6,473,235.28	3,402,953.59	1,084,408.31	4,487,361.90	1,985,873.38
1968/69	5,319,615.04	1,235,271.33	6,554,886.37	3,863,902.58	1,275,485.10	5,139,387.68	1,415,498.69
1969/70	6,800,818.55	1,710,202.40	8,511,020.95	4,682,537.41	1,712,265.92	6,394,803.33	2,116,217.62
1970/71	7,501,032.38	1,953,995.89	9,455,028.27	5,466,241.33	1,507,943.64	6,974,184.97	2,480,843.30
1971/72	8,684,400.51	2,464,379.63	11,148,780.14	6,629,109.55	1,790,400.12	8,419,509.67	2,729,270.47
Totals	$65,838,687.88	$18,397,108.62	$84,291,892.82	$46,050,614.56	$14,619,294.80	$60,669,909.36	$23,621,983.46

* From year 1951/52 the employer contributions amount includes only the contributions made by Government Boards and agencies; it does not include the employer contributions in respect of departmental employees.

** Benefits include pensions and payments to retired employees and to beneficiaries of deceased employees. Withdrawals include refunds upon employees leaving the Service, transfers to other funds, and refunds of excess contributions.

*** Includes transfer of the Alberta Liquor Control Board Superannuation Fund.

**** Includes accrued interest of $56,096.32.

GOVERNMENT OF THE PROVINCE OF ALBERTA

THE PUBLIC SERVICE PENSION ACT

STATEMENT OF RECEIPTS AND PAYMENTS

FOR THE YEAR ENDED MARCH 31, 1972

RECEIPTS		
Contributions: (Note 1)		
Employees'		$ 8,684,400.51
Employers'		2,464,379.63
		$11,148,780.14
PAYMENTS		
Benefits under the Act:		
Pensions and annuities	$ 6,347,307.81	
Payments in lieu of pensions and annuities	188,779.48	
Payments to beneficiaries	93,022.26	
		$ 6,629,109.55
Withdrawals:		
Contributions and earnings in respect of employees leaving service	$ 1,468,358.26	
Contributions and earnings in respect of employees transferred to other pension authorities	276,691.31	
Refunds of excess contributions	45,350.55	
		1,790,400.12
		$ 8,419,509.67
Excess of receipts over payments for the year ended March 31, 1972		$ 2,729,270.47

Note 1 - Receipts as above	$11,148,780.14
Add: Outstanding deposits March 31, 1971	393,377.71
Receipts per Statement, Executive Council, Cash Collected on Income Account	$11,542,157.85

Note 2 - All receipts under The Public Service Pension Act, including the outstanding deposits referred to in Note 1, have been credited as revenue in the current year to the General Revenue Fund of the Province and all payments have been made therefrom.

Certified correct,

Signed C. K. HUCKVALE

F. C. A.

Provincial Auditor

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